

1 HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

2 Minutes of the Board of Trustees

3 Thursday, September 10, 2002

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5 TRUSTEES PRESENT

6 Mr. Sam Callejo, Chairperson

Mr. Gerald Machida

7 Ms. Audrey Hidano, Vice-Chairperson

Ms. Kathryn Matayoshi

8 Mr. James Williams, Secretary-Treasurer

Mr. Neal Miyahira

9 Ms. Joan Lewis

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11 TRUSTEES ABSENT

12 Mr. Willard Miyake

13 Mr. Clifford T. Uwaine (Resigned effective September 6, 2002)

14 Mr. Davis Yogi

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16 ATTORNEY

17 Mr. Brian Aburano, Deputy Attorney General

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19 HEUHBTF STAFF

20 Mr. H. Mark Fukuhara, Administrator

Ms. Gerti Reagan, Consultant

21 Ms. Lynette Fukunaga

Mr. Andrew Keowen, Consultant

22 Ms. Shirley Kawamoto

Ms. Karen Tom

23 Ms. Maria Quartero

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25 OTHERS PRESENT

26 Ms. Jean Aoki, HSRTA

Mr. Maurice Morita, HSTA

27 Ms. Nani Crowell, HSTA MBC

Ms. Karen Muronaka, HSRTA

28 Ms. Alana Deppe-Mariota, Kaiser Permanente

Ms. Celeste Nip, HFFA

29 Ms. Monica Engle, VSP

Ms. Rod Tam, HMSA

30 Ms. Ruth Kim, HSRTA

Mr. George Yamamoto, HGEA-Retirees

31 Mr. Norbert Mendes, HDS

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33 I. CALL TO ORDER

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35 The regular meeting of the Board of Trustees was called to order when there was a quorum at  
36 4:05 p.m. by Trustee Sam Callejo, Chairperson, in Conference Room 416, State Capitol,  
37 415 South Beretania Street, Honolulu, Hawaii, on Tuesday, September 10, 2002.

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39 ANNOUNCEMENTS

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41 The Chair noted that Trustees Miyake and Yogi were not in attendance and that Trustee Uwaine  
42 had tendered his resignation from the Board effective Friday, 9/6/02.

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44 II. APPROVAL OF MINUTES

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46 None.

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1    III.    COMMITTEE REPORTS

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3        A.    ADMINISTRATIVE COMMITTEE:

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5            Trustee Matayoshi reported that seven presentations by Third Party Administrators are  
6            scheduled for next week.

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8        B.    RULES COMMITTEE:

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10           Chair Callejo noted that Trustee Yogi was not in attendance to report on behalf of the  
11           Rules Committee. He also noted that there had been no Rules Committee meeting on  
12           Monday, September 9, 2002, due to a lack of quorum.

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14           Mr. Aburano reported that there had been insufficient time to post a cancellation notice for  
15           the Rules Committee meeting so an informational session was held for the members of the  
16           public who showed up for the meeting. At the informational session, Chair Yogi reviewed  
17           the changes that had been made to the proposed rules as a result of consultation comments  
18           that had been submitted to the Rules Committee and that had been discussed at previous  
19           Rules Committee meetings. Additional comments were taken from members of the public  
20           present. The next meeting is tentatively scheduled for September 20, 2002.

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22        C.    BENEFITS COMMITTEE

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24           1.    Approval of proposed amendment to page 35 of Request for Proposal No. 03-001

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26            Ms. Reagan explained the proposed amendment to the RFP. (see handout) She noted  
27            that the handout should be corrected to read Amendment to Page 35 of Request for  
28            Proposals No. 03-001 and the capitalized words are the added text to the RFP which  
29            clarifies that any carrier may submit a plan design.

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31            MOTION was made to approve Amendment to Page 35 of Request for Proposal  
32            No. 03-001. (Williams/Lewis) The motion unanimously passed. (Employer trustees  
33            – 4/Employees-Beneficiary trustees – 3)

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35    IV.    OTHER REPORTS

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37        A.    ADMINISTRATOR

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39            •    Mr. Fukuhara noted that Trustee Uwayne's letter of resignation, effective  
40            September 6, 2002, and the letter from Mr. Charles Khim informing the Board that he  
41            no longer represents union board members, effective September 6, 2002, were in the  
42            Trustees' packets.
- 43  
44            •    Mr. Fukuhara reported that staff is making arrangements for the Third Party  
45            Administrator presentations on September 16, 17, 18, 2002, with the majority of the

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presentations scheduled for Monday and Tuesday. Seven of the twelve vendors responded positively; staff will follow-up with those who did not respond to confirm that they will not do presentations. Several vendors will present via a web cast. The location for one meeting will be changed to the State Office Tower, Room 1400, to support the Internet requirements. Updated information will be sent out.

- Mr. Fukuhara reported that a copy of the Transition Report for the new administration was submitted to Budget and Finance and a copy is in the Trustees' packets.
- Mr. Fukuhara reported that Larry Nishihara was appointed as the Assistant Administrator and will start on September 16, 2002. Interviews were held for the Communication and Regulatory Specialist and a selection will be made shortly.

B. DEPUTY ATTORNEY GENERAL: None.

C. BENEFITS CONSULTANT

Mr. Keowen reported on UPW's concern regarding the demographic information used in determining the tier-rate schedule. He reported that there was no significant change in the demographic information provided by the HFIMS and the information that had been used by the State Auditor in its report.

V. UNFINISHED BUSINESS:

1. Employee Organization Benefit Plans

Trustee Williams reported that he would not make the motion that he had distributed last week. He had a discussion with Trustee Miyake who felt that the motion would be fruitless based upon a conversation with another Trustee.

VI. NEW BUSINESS

None.

VII. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

There was no communication from the public.

Trustee Williams submitted and read a letter that accompanied his resignation as a Trustee, effective September 11, 2002. Chair Callejo commented on behalf of the Board of Trustees that they appreciated Trustee Williams' hard work and professionalism in moving the Board to this point and wished him well in the future.

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VIII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE

The scheduled meetings are:

- Board meeting – Tuesday, September 24, 2002, at 9:00 a.m., Leiopapa A Kamehameha Bldg (SOT), Conference Room 405.
- Administrative Committee – Friday, September 15, 2002, at 9:00 a.m., Department of Business Economic Development and Tourism, Conference Room 436.
- Third Party Administrators Presentations – September 16, 17, 18, 2002, at 8:00 a.m., No. 1 Capitol District Bldg., Conference Room 410. The location for the web cast presentations is still to be determined.
- Rules Committee – Friday, September 20, 2002, 9:00 a.m., Leiopapa A Kamehameha (SOT), Conference Room 405.

IX. ADJOURNMENT

MOTION was made to adjourn the regular meeting. (Williams/Matayoshi) The motion was passed unanimously. (Employer trustees-4/Employee-Beneficiary trustees-3)

The meeting was adjourned at 4:25 p.m.

Respectfully submitted,

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Joan K. Lewis, Secretary-Treasurer

Documents Distributed:

1. Faxed letter from Trustee Clifford Uwaine, dated September 6, 2002. (1 page)
2. Letter from Mr. Charles K. Y. Khim, dated September 5, 2002, regarding Representation of Certain Employee EUTF Board of Trustees. (1 page)
3. 2002 Transition Report, HEUHBTF, Overview, prepared August 30, 2002. (15 pages)
4. Trust Fund Tiering vs. State Auditor's Report. (1 page)
5. Amendment to Page 35 of RFP No. 03-001. (1 page)